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**COMMITTEE ON THE BUDGET**  
**MAJORITY CAUCUS**  
**U.S. House of Representatives**  
**106th Congress — Washington, DC**

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**EARLY WARNING TALKING POINTS**  
**ON ADMINISTRATION BUDGET PROPOSAL**  
**NATIONAL INSTITUTES OF HEALTH**

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**BACKGROUND**

The President is expected to propose something under \$19 billion for the National Institutes of Health [NIH] in fiscal year 2001, suggesting an increase of about a \$1 billion. NIH funding for fiscal year 2000 is \$17.8 billion.

In addition, the President may propose releasing \$410 million of NIH funding that was supposed to be held until fiscal year 2001.

As shown in the table below, NIH appropriations have increased rapidly, rising from \$11.3 billion at the end of the Democrat-controlled Congress to the almost \$18 billion today.

**NIH Appropriation Level and Annual Percentage Change**

(budget authority, in billions of dollars)

<b>Fiscal Year</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Appropriated	11.284	11.928	12.741	13.648	15.652	17.793
% Change	3.3	5.6	6.8	7.1	14.7	13.7

**KEY POINTS**

- < As is clearly demonstrated from the chart above, NIH has long been a Republican spending priority. Basic research to produce needed medical data and information in support of finding cures for disease is both a fundamental public good and a smart strategy to help control health care costs, including those borne by the taxpayers through government programs.
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- < The Republican Congress has already increased NIH by 58 percent since becoming the party in control in 1995. The Republican-controlled Congress has led the effort for more NIH funding.
    - In his fiscal year 1998 budget, the President only proposed a 2-percent increase in NIH funding. The Congress provided a 7.1-percent increase instead.
    - In fiscal year 1999, the President then proposed an 8.4-percent increase, but only through money from the unrealized national tobacco settlement. The Congress rejected this phony funding scheme and provided a straight 14.7-percent increase.
    - Finally, in fiscal year 2000, the President proposed a 2.4-percent increase; the Congress provided another 14.7-percent increase.
  - < When Congress and the President agreed to a 0.38-percent across-the-board spending reduction for fiscal year 2000, the administration insisted on flexibility in distributing the cuts. Now, while sparing certain programs, the administration cut \$100 million from NIH – nearly twice the 0.38-percent amount. This reduced the fiscal year 2000 growth rate to 13.7 percent and reduced Congress's appropriated increase in funding by more than 5 percent.
  - < Just 2 years earlier, in his 1998 State of the Union message, President Clinton had called for increasing NIH funding by 50 percent over 5 years and a doubling over the next 10.
  - < In light of this massive infusion of grant spending – \$6.5 billion of increased resources being spent by NIH annually – an evaluation and reassessment of the agencies programmatic success and priorities may be timely.

#### **WASTE, FRAUD, ABUSE, AND MISMANAGEMENT**

- < The General Accounting Office [GAO] is expected to issue a report within the next few weeks that will assess the NIH's use of increased funds over the past few years. This should be closely studied before decisions are made with regard to fiscal year 2001.

For this early warning document and other information on administration budget proposals, see the House Budget Committee's web page at [www.house.gov/budget](http://www.house.gov/budget)